

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 14-340

LIBERTY UTILITIES (GRANITE STATE ELECTRIC) d/b/a LIBERTY UTILITIES

Annual Retail Rate Adjustment Filing

ORDER OF NOTICE

On November 25, 2014, Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities (Granite State or Company) filed a request for approval of retail rate adjustments related to its stranded cost charge and transmission service charge. Liberty calculated the aggregate impact of the rate changes on an average monthly residential usage of 665 kilowatt hours (kWh) to be a monthly bill increase of \$2.26 or 1.40%, from \$161.33 to \$163.60.

Granite State's stranded cost charge recovers the Contract Termination Charge (CTC) billed by New England Power Company (NEP) in connection with the termination of NEP's all-requirements power contracts with National Grid prior to the advent of retail competition in Granite State's service territory. The Commission approved the applicable recovery mechanism in Granite State Electric Company, Order No. 23,041 (October 7, 1998) 83 NH PUC 532. Liberty Utilities acquired Granite State and related obligations from National Grid according to the terms of a settlement agreement approved by the Commission in Docket No. DG 11-040. *See* Order No. 25,370 (May 30, 2012). Granite State said that NEP had not finalized its 2014 CTC report but expected to do so on or before December 1, 2014. In this filing, Granite State proposed to decrease the uniform stranded cost charge from 0.080 cents per kWh to a credit of 0.150 cents per kWh effective on a service-rendered basis as of January 1, 2015. The Company

said that if the final CTC charge is different from the proposed charge, it will update the stranded cost charge accordingly.

Granite State's transmission service charge includes costs that Granite State incurs in providing transmission service. Through the transmission service charge, Granite State recovers costs billed to it by the Independent System Operator-New England (ISO-NE) and NEP through the ISO-NE Transmission, Markets and Services Tariff. According to the Company, the transmission service charge is designed to recover estimated transmission expense during the upcoming calendar year, together with an adjustment for over- or under-recoveries that occurred in the period. During 2015, transmission expenses and adjustments are forecasted to produce an average transmission rate of 2.342 cents per kWh, an increase of 0.394 cents per kWh from the current average transmission rate of 1.948 cents per kWh. Granite State attributed the increase to forecast increases in the amount of pooled transmission facilities plant additions to in 2015.

In calculating the average transmission rates included in this filing, Granite State applied a credit of 0.053 cents per kWh for Regional Greenhouse Gas Emissions allowance auction rebate amounts in excess of \$1.00 per allowance, and a total of \$107,927 paid by Massachusetts Electric Company to Granite State pursuant to a border sales agreement entered into on April 11, 2014. Granite State stated that the \$107,927 represented the transmission portion of the settlement and would result in a credit to customers of 0.012 cents per kWh.

The petition and subsequent docket filings, other than information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at www.puc.nh.gov.

The filing raises, inter alia, issues related to the reconciliation of the CTC, the costs included in the stranded cost charge, the transmission charge and the RGGI rebate allocation, and

whether the rate changes and adjustment factors as proposed are just and reasonable as required by RSA 378:5 and 7. Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that a Hearing, pursuant to N.H. Code Admin. Rules Puc 203.12, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on December 16, 2014 at 10:00 a.m.; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, Granite State shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than December 5, 2014, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before December 12, 2014; and it is

FURTHER ORDERED, that consistent with N.H. Code Admin. Rules Puc 203.17 and Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to Granite State and the Office of the Consumer Advocate on or before December 12, 2014, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Code Admin. Rule Puc 203.17 and RSA 541-A:32, I(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before December 16, 2014.

By order of the Public Utilities Commission of New Hampshire this second day of
December, 2014.



Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:**
DEBRA A HOWLAND
EXEC DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.**
- c) Serve a written copy on each person on the service list not able to receive electronic mail.**